

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 899 (Senator Ready)
Judicial Proceedings

Firearms Dealers - Firearm Hold Agreements

This bill establishes that a “federally licensed firearms dealer” may not be held civilly liable for personal injury to or the death of any person after the return of a firearm to a firearm owner by the dealer at the termination of a “firearm hold agreement.” This immunity from liability does not apply to personal injury or death caused by unlawful conduct on the part of the dealer. The bill does not apply to firearms transfers under § 6-234 of the Criminal Procedure Article (transfer of a firearm upon a conviction of a disqualifying crime).

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: “Federally licensed firearms dealer” means a person licensed by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to deal in firearms.

“Firearm hold agreement” means a private agreement between a federally licensed firearms dealer and a person who owns a firearm in which the federally licensed firearms dealer (1) takes physical possession of the firearm owner’s lawfully possessed firearm or firearms at the firearm owner’s request; (2) holds the firearm or firearms for an agreed period of time; and (3) returns the firearm or firearms to the firearm owner in accordance with the terms of the agreement.

Current Law: The Department of State Police regulates firearms and regulated firearms dealer licensees under provisions of the Public Safety Article. A person must lawfully possess a regulated firearms dealer's license issued by the Secretary of State Police before the person engages in the business of selling, renting, or transferring regulated firearms. One dealer's license is required for each place of business where regulated firearms are sold. Current law requires the Secretary to revoke a dealer's license under specified conditions. State licensees must also have a federal firearms license issued by the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives.

A dealer or other person is prohibited from selling, renting, loaning, or transferring a regulated firearm to a purchaser, lessee, or transferee who the dealer or other person knows or has reasonable cause to believe:

- is younger than age 21, except as specified;
- has been convicted of a disqualifying crime;
- has been convicted of a conspiracy to commit a felony;
- has been convicted of a violation classified as a common law crime and received a term of imprisonment of more than two years;
- is a fugitive from justice;
- is a habitual drunkard;
- is addicted to a controlled dangerous substance or is a habitual user;
- suffers from a mental disorder and has a history of violent behavior, as specified;
- has been confined for more than 30 consecutive days to a mental health facility, as specified;
- is a respondent against whom a current non *ex parte* civil protective order has been entered;
- if younger than age 30 at the time of the transaction, has been adjudicated delinquent by a juvenile court for an act that would be a disqualifying crime if committed by an adult;
- is visibly under the influence of alcohol;
- is a participant in a straw purchase;
- has not completed a specified certified firearms safety training course, except as specified; or
- intends to use the regulated firearm to commit a crime or cause harm to the purchaser, lessee, transferee, or recipient or another person.

A violator is guilty of a misdemeanor and on conviction subject to maximum penalties of imprisonment for five years and/or a \$10,000 fine. Each violation is a separate crime.

Small Business Effect: The bill may have a meaningful effect on small business firearms dealers who avoid civil liability as a result of the immunity granted to them under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years. .

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of State Police; Department of Legislative Services

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js/jkb

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